



PRESS RELEASE

FOR IMMEDIATE RELEASE
June 13, 2002

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SCOTTSDALE MAN INDICTED FOR HEALTH CARE CLAIMS EMBEZZLEMENT

PHOENIX, ARIZONA -- The United States Attorney's Office for the District of Arizona announced that on June 13, 2002, a federal grand jury at Phoenix, Arizona, returned a 22 count indictment against Frank C. Rousseau, d.o.b. 3/11/45, of Scottsdale, AZ.

The indictment alleges that between January and July 1997, Frank C. Rousseau, while serving as the CEO of L&H Administrators, embezzled over one million dollars of client funds. The funds had been entrusted to the L&H company as a third party administrator to pay health care claims for employees. Rousseau is alleged to have directed the spending of claim money to cover his company's operating expenses. The indictment recites a number of illegal transfers of money from the claims accounts of three clients to cover shortages in other claim accounts and in order to meet payroll. L&H Administrators went out of business in July 1997 and subsequently was forced into bankruptcy. Mr. Rousseau was summoned for an arraignment on June 26, 2002.

The federal indictment charges Mr. Rousseau with violating Title 18 of the United States Code, Section 1343, Wire Fraud incident to the transfer of \$1.3 million dollars from the Clark County, Nevada, Employee Health Care Claims Account and also of violating Title 18 of the United States Code, Section 669, Embezzlement from a Health Care Benefit Program. The latter charge alleges that Rousseau directed the

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transfer of employee health care money from the health care claims accounts of Clark County, NV, Kinko's and the Wortz companies for the benefit of his own company.

A conviction for 18 USC 669, Embezzlement from a Health Care Benefit Program carries a maximum penalty of 10 years imprisonment, a \$250,000 fine or both. A conviction for 18 USC 1343, Wire Fraud carries a maximum penalty of 5 years imprisonment, a \$250,000 fine or both.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted by Investigators from the United States Department of Labor, Pension and Welfare Benefits Administration, the Federal Bureau of Investigation and the United States Attorney's Office.

Billy Beaver, Director of the Los Angeles Regional Office of the Pension and Welfare Benefits Administration, said to all Service Providers that "the agency is committed to protecting the assets of employee benefit plans and will aggressively pursue violations of positions of trust under their statutory mandate".

The prosecution is being handled by Richard I. Mesh, Assistant United States Attorney, District of Arizona, Phoenix, Arizona.

CASE NUMBER: CR-02-603-PHX
RELEASE NUMBER: 2002-106

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